

~~SECRET~~

~~CONFIDENTIAL~~

CP/ED

OCI No. 3394/55

Copy No. 35

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE
16 May 1955

TO : Deputy Director (Intelligence)

SUBJECT: Announcement of Tito-Khrushchev Meeting Coincides
With Crisis in American Military Aid Program for
Yugoslavia

The announcement of a meeting "at the highest level" between Yugoslavia and the USSR comes at a time when Belgrade's relations with the West and particularly with the United States have been approaching a point of decision.

The main problems at issue between Yugoslavia and the Western nations are: (1) an increasing divergence between the aims of American and Yugoslav foreign policies, with Belgrade moving further toward a neutral position; (2) the continued unwillingness of Yugoslavia to meet Western demands for closer military co-ordination; and (3) an un-co-operative Yugoslav attitude toward American supervision of the present military aid program.

On 11 May Ambassador Riddleberger and General Hains, chief of the American Military Aid Staff, (AMAS) recommended a temporary suspension of all military aid shipments to Yugoslavia. The recommendation was made because of the negative Yugoslav response on 10 May to the ambassador's list of complaints about Yugoslavia's lack of co-operation in the distribution and supervision of American arms aid.

The American complaint is basically that the Yugoslav government will not give adequate information or sufficient freedom of inspection to enable the American mission to determine whether aid is being used in compliance with US laws. These general types of problems have recurred since the beginning of the program four years ago.

Tito had promised Ambassador Riddleberger on 25 April that he would discuss these problems with his general staff and stated that he thought many of them could be resolved. He indicated that perhaps they should have been brought to him earlier.

State Dept. review completed

~~CONFIDENTIAL~~

~~SECRET~~

Document No.	30
No Change in Class.	<input type="checkbox"/>
<input type="checkbox"/> Declassified	
Class. Changed To:	TS S (C)
Date:	21 Sept 78
By:	

25X1

~~SECRET~~
~~CONFIDENTIAL~~

When Riddleberger received the official reply from Foreign Minister Popovic on 10 May, however, he found that it consisted largely of a defense of the Yugoslav position. Popovic argued, for example, that American officials did not need to visit the armies in central and southern Yugoslavia on the grounds that "not much US equipment had been given those armies." He did not yield on this point, although he admitted they had actually received equipment worth \$187,000,000.

After pointing out that the Yugoslavs had agreed to an increase in the AMAS staff from the original 30 to its present 39, Popovic said that the present request to expand it to 76 could only be discussed at the technical conference, previously suggested by the Yugoslavs but unlikely to be held for at least a month or two.

Riddleberger has proposed several tactical alternatives, ranging from telling Belgrade outright of total suspension to telling it only of the individual suspensions actually justified on the technical grounds of noncompliance with US regulations. Shipments of some items have been suspended on these grounds in the last six months, but a full suspension of military aid has not been threatened.

Belgrade officials say they can understand that Washington might have some grounds for suspending aid because of Yugoslav unwillingness to engage in broad military planning with the West. On the other hand, they consider American requests for better supervision of the aid program as an unwarranted interference in Yugoslav affairs.

Popovic told Riddleberger bluntly that AMAS asked too many questions and that the Yugoslavs did not want AMAS in the role of instructors or counselors to the Yugoslav army. The Yugoslavs' feeling on this subject arises not only from their hypersensitive national pride but also from their bitter experience with Soviet advisers.

HUNTINGTON D. SHELDON
Assistant Director
Current Intelligence



~~CONFIDENTIAL~~

~~SECRET~~